



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 11, 2000

Rick Olsen, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Re: Midterm Review, Canyon Fuel Company, LLC, Dugout Canyon Mine, AC 17007932
MT00, Outstanding File

Dear Mr. Olsen:


The Division is required to review each active permit during its term, in accordance with R645-303-211. This review is to take place at the midpoint of the permit term (September 16, 2000 for the Dugout Canyon Mine) and will cover pertinent elements that have been selected for review. The Midterm Review for the Dugout Canyon Mine is now being conducted and the items chosen for review encompass the following:

1. An AVS check to ensure that Ownership and Control information is current and correct.
2. A review of the plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and permittee initiated plan changes are appropriately incorporated into the plan document.
3. A review of the applicable portions of the permit to ensure that the plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
4. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.
5. The Division will conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.

Once the review has been conducted, you will be notified of any outstanding issues that need to be corrected.

If you have any questions regarding these requirements or the Midterm Review please don't hesitate to call.

Sincerely,



Pamela Grubaugh-Littig
Acting Associate Director, Mining

drh/sm
cc: Price Field Office
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